

Article - Public Utilities

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§7-539.

(a) An agreement by an electric company or assignee to transfer rate stabilization property that expressly states that the transfer is a sale or other absolute transfer signifies that:

- (1) the transaction is a true sale and is not a secured transaction; and
- (2) legal and equitable title has passed to the entity to which the rate stabilization property is transferred.

(b) The status of the transfer as a true sale prevails regardless of any recourse the purchaser may have against the seller, or any other term of the parties' agreement, including:

- (1) the seller's retention of an equity interest in the rate stabilization property;
- (2) the fact that the electric company acts as the collector of qualified rate stabilization charges relating to the rate stabilization property; and
- (3) the treatment of the transfer as a financing for tax, financial reporting, or other purposes.

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